

England is not fully borne out by the facts. The method of taxation which he sought to introduce was simply a phase of the transition from feudal to modern methods **of carrying on** public affairs. As a careful student of the economic history of England puts it :

According to ancient usage the King had been able to live of his own, and had recourse to Parliament in emergencies. The chief problem of the seventeenth century was to find a source of revenue which would supply a regular income, that might adequately correspond to the increased responsibilities of government in these more modern times. The first attempt to do this was in the Great Contract, proposed to the Parliament in 1610 ; by this James proposed to relinquish all the occasional payments from feudal tenures, in return for a regular income of £200,000 to be derived from parliamentary supplies.

As this bargain broke down, James was a considerable sufferer; Charles I., to whom Tonnage and Poundage were not voted for life, was left in a position of direct dependence on parliamentary grants, and he did not conceal his resentment. During both of these reigns every effort was made to secure supplies from extra-parliamentary sources; while the Commons, who were eagerly anxious to assert their position and exercise a real control over the foreign as well as the domestic policy of the realm, were always on the alert to thwart these attempts. ¹

The parliamentary party succeeded in organizing a system of taxation by means of customs duties, monthly levies upon real estate and excises on internal trade, which continued in full force after the restoration of the Stuarts. These taxes laid the foundation of the modern method of defraying the expenses of government, but they were inadequate for many extra expenses and for carrying on the wars in which Charles II. and William III. found themselves involved. Charles II. turned for assistance to the goldsmiths. But his rapacity soon outran his borrowing capacity, and he gave a violent shock to credit by a proclamation of January 2, 1672, refusing payment out of the Exchequer of money advanced and sequestrating £1,328,526 to his own use. The money, although lent by the goldsmiths to the King, was the prop-

¹ **Cunningham, II., 215.**